

Legislative Session 2002

Special Budget Report and Survey



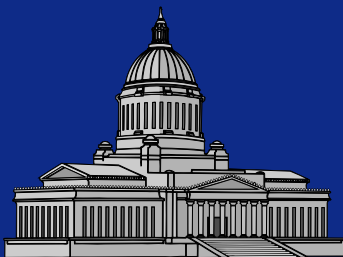
**Representative
LARRY CROUSE**

Legislative Committees:
**Local Government and
Housing**

**Technology, Telecommu-
nications and Energy**

**Eastern Washington
Caucus - Chair**

**TOLL-FREE
LEGISLATIVE HOTLINE:
1-800-562-6000**



From the Desk of Representative Larry Crouse



Dear friends and neighbors,

Let me start by saying, I am proud to represent you and the families of our community at our state capitol. As always, please keep calling, writing and emailing me with your thoughts, advice and concerns. As your state representative, the more I hear from you, the more effective I can be in Olympia.

The biggest challenge we face in the Legislature this year is fixing the state's budget. Last year, the Legislature passed a two-year budget that I voted against because (and time has proven me right) it irresponsibly spent more than we could afford on a state government bureaucracy that already needed downsizing.

I was also concerned that the budget would likely lead to some very large cuts in important services (such as health care and education), and might even lead to tax hikes on individuals, families and businesses.

While the state has a general fund shortfall, Washington taxpayers will still contribute nearly \$22 billion to run the state government. With that much money being collected, there is no excuse for any cuts to programs that help senior citizens, the developmentally disabled or any other vulnerable citizen of our state.

More than ever, I need your input as we address these important budget issues. Please fill out and return the attached survey, and share your ideas and concerns about state government. I look forward to hearing from you.

I want you to know that all of the calls and letters to our office are very much appreciated, and I encourage you to keep communicating with us.

A handwritten signature in blue ink that reads "Larry Crouse".

Budget Basics

Here are the key issues facing the Legislature as we begin to make budget decisions. My hope is that this information is useful as you fill out the attached survey.

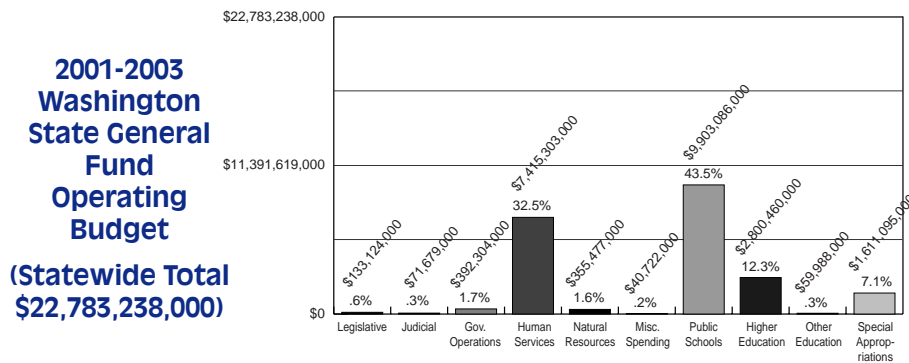
A report released in November by the state Economic and Revenue Forecast Council shows that expected tax revenue for the 2001-03 biennium into the state's General Fund is going to be \$813 million less than expected.

The \$813 million forecast reduction follows the \$101 million reduction announced in September. This means the state has lost more than \$900 million in anticipated revenue since the 2001-03 state operating budget was passed in June. **The state's general fund balance has changed from a surplus of \$66 million to a deficit of \$747 million.**

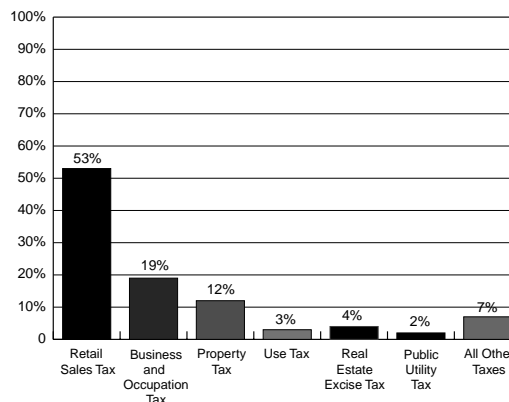
And don't forget, the budget passed by the Legislature in June (I voted against it then) already overspent by \$668 million. With these new revenue estimates, the state budget now faces a \$1.57 billion deficit.

Declining revenue is not the only budget problem the Legislature faces. We also face an increase in the expected costs of certain programs, which by some estimates could total as much as \$284 million. These increased costs include higher-than-expected enrollment in our K-12 public schools and increasing caseloads and higher rates in Medical Assistance, as well as higher caseloads in the Corrections Department and other programs of the Department of Social and Health Services. The state is also faced with the costs of fighting forest fires this summer, as well as payouts because of lawsuits against the state lost by the Attorney General.

The charts below give you an idea of where the tax dollars come from and where they are spent.



**2001-2003
Washington State General
Fund Revenues by Source**
(Statewide Total
\$21,209,000,000)



Governor's budget plan sets the wrong priorities

To address the severe budget shortfall, Governor Locke has proposed a supplemental budget that makes both budget cuts and tax increases. This is just a proposal that will be considered by the Legislature.

The governor's key budget cuts include:

- \$35 million for nursing homes
- \$68 million for higher education and K-12 schools
- \$34 million for Medicaid reimbursements for prescription drugs

His proposed tax increases include:

- \$78.4 million increase on liquor and gambling taxes
- \$20 million sales tax on shipping
- \$1 million increase on hunting and fishing licenses

Unfortunately, this proposal protects the state government bureaucracy at the expense of senior citizens, low-income families and those who most depend on critical state services. He doesn't cut government, just the services it provides.

Of the more than 99,000 full-time state employees (this figure does not include the nearly 56,000 K-12 public school teachers in the state), for example, the governor's budget would only cut 440 positions from the huge state bureaucracy.

I will work with legislators from all parties to find the most responsible solution to our state's budget woes. Our state must learn to operate with a smaller, smarter government that delivers better services at a lower cost to the families and job providers who pay the bills. We must put together a budget that doesn't threaten seniors, low-income families, and at-risk individuals.

CITIZEN BUDGET SURVEY

Name: _____

Address: _____

Phone: _____

E-mail (s): _____

1. Please rank, from 1 to 7, what you think are the most important functions of state government.

- _____ Legislative branch functions (maintaining legislative functions)
- _____ Judicial branch functions (operating the state court system)
- _____ Governmental Operations
- _____ Human Services (DSHS, foster care, programs for elderly, etc.)
- _____ Natural Resources (maintaining state forests, salmon protection programs, etc.)
- _____ Public Schools (K-12 education)
- _____ Higher Education (operating state universities and community colleges)
- _____ Other

2. What, if any, taxes would you increase to help bring the state operating budget into balance?

- _____ Retail Sales Tax
- _____ Business & Occupation Tax
- _____ Property Tax
- _____ Real Estate Excise Tax
- _____ Public Utility Tax
- _____ I support NO tax increases

3. In what areas of state government would you support making cuts to reduce overall spending?

- _____ Legislative branch (maintaining legislative functions)
- _____ Judicial branch functions (operating the state court system)
- _____ Government Operations (funds for statewide officials, boards and commissions, state buildings, etc.)
- _____ Human Services (Prison system, DSHS, foster care, programs for elderly, etc.)
- _____ Natural Resources (maintaining state forests, salmon protection programs, etc.)
- _____ Public Schools (K-12 education)
- _____ Higher Education (operating state universities and community colleges)
- _____ Other

4. Please use as much space as you need to share your more detailed thoughts and recommendations regarding the state budget and state government in general:

Olympia, WA 98504-0600
P.O. Box 40600
Larry Crouse
State Representatives



Please
place
stamp
here



**State Representative
Larry Crouse**

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Important Contact Information

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d4_1.htm](http://www.leg.wa.gov/house/members/d4_1.htm)

Toll-Free Legislative Hotline:
800-562-6000

Other key government contacts:

- Toll-free Legislative Hotline
for the Hearing Impaired
1-800-635-9993
- State of Washington Resources
www.access.wa.gov
- Directory of Local Government
Resources
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- The White House
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